

Administrative Agreement between
the Department of Natural Resources of Canada and
the ministère des Ressources naturelles du Québec

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**Financial assistance program for owners of woodlots
who were affected by the January 1998 ice storm
and whose primary source of income
is not derived from forestry**

Annual Report
2000-2001

Canada

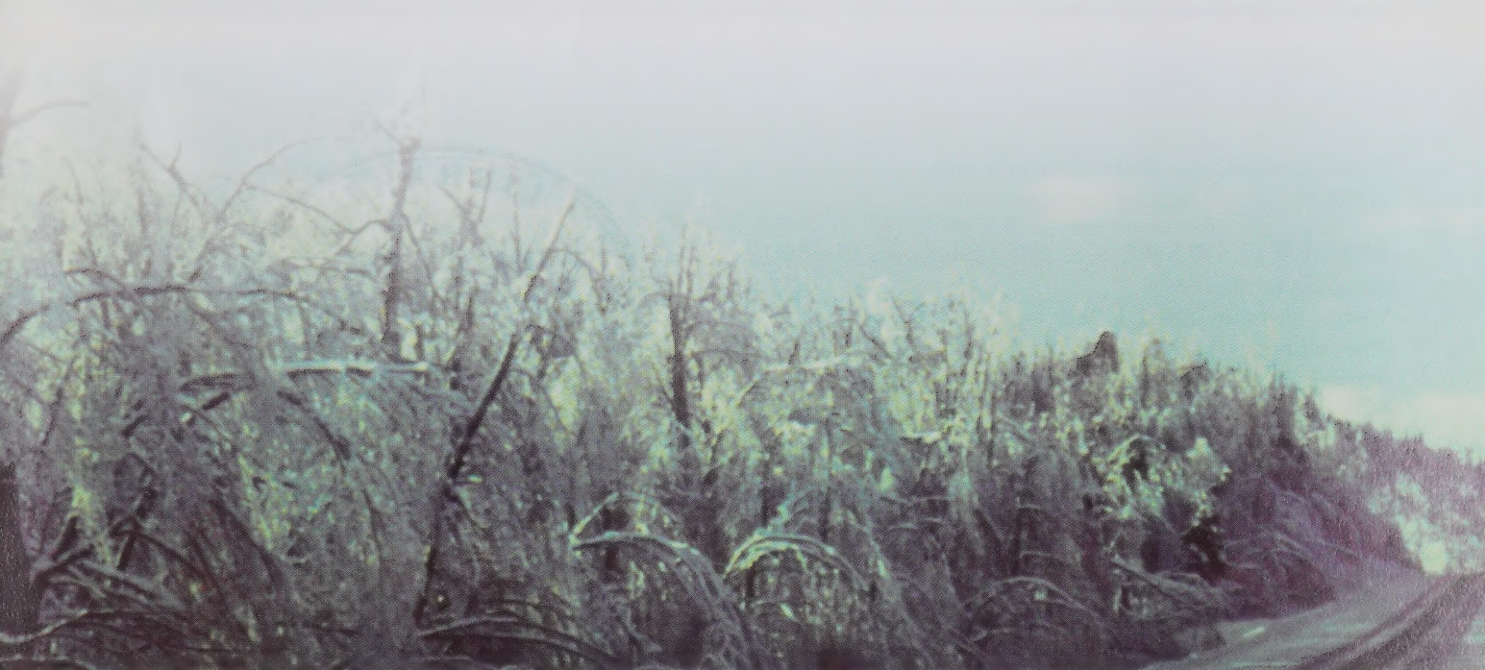
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Introduction

Following the January 1998 ice storm, special assistance programs were set up to help woodlot owners restore woodlots that were heavily damaged during the storm. An administrative agreement between Natural Resources Canada (NRCan) and the ministère des Ressources naturelles du Québec (MRN) led to the establishment of the *Financial assistance program for owners of woodlots who were affected by the January 1998 ice storm and whose primary source of income is not derived from forestry* (NPSI). This document is the second annual report concerning the activities carried out as part of the NPSI program.

1. Assistance programs for the owners of damaged woodlots

The NPSI program is one of three special programs set up to provide assistance for the owners of woodlots affected by the 1998 ice storm, and targets owners whose primary source of income is not derived from forestry. The other two programs target agricultural producers who own woodlots, and the owners of woodlots who derive their primary source of income from forestry. The MRN, which is responsible for coordinating all three programs, shares responsibility for the program for agricultural producers with the ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec (MAPAQ). The regional agencies for private forest development in the Bois-Francs, Chaudière, Estrie, Laurentides, Montérégie and Outaouais regions are responsible for implementing the programs, and for providing training and accreditation for the forestry advisors who work with the owners of affected woodlot. The ice storm programs are funded jointly by the federal and provincial governments (Table 1).

Table 1: Respective contributions of the Canadian and Québec governments to the funding of the ice storm programs

Target clientele	Source of funding		Under the terms of
	Federal	Provincial	
Woodlot owners who are agricultural producers (PSI) ¹	90% ²	10%	Disaster Financial Assistance Arrangements (DFAAs) administered by the Office of Critical Infrastructure Protection and Emergency Preparedness
Woodlot owners whose primary source of income is derived from forestry (PSI) ¹	90% ²	10%	Disaster Financial Assistance Arrangements (DFAAs) administered by the Office of Critical Infrastructure Protection and Emergency Preparedness
Woodlot owners whose primary source of income is not derived from forestry (NPSI) ³	50%	50%	Administrative agreement between NRCan and the MRN

1. PSI: primary source of income.

2. Depending on the level of provincial spending per-capita, the federal contribution can amount to up to 90% of total expenditure.

3. NPSI: not primary source of income.

1.1 The NPSI agreement and its administration

The NPSI program was established to help the owners of woodlots affected by the 1998 ice storm who were not entitled to receive assistance under a Disaster Financial Assistance Arrangements

(DFAAs) because their primary source of income was not derived from forestry and agricultural activities. The program results from an agreement signed by the governments of Canada and Québec in August 1999. A joint NRCan/MRN Administration Committee was established to oversee the implementation of the program, which has a budgetary

envelope of \$34 million, funded in equal parts by the two levels of government.

The program comprises two elements. Program Element #1 covers all the activities and services provided to woodlot owners, while Program Element #2 covers the financial assistance granted to the six regional agencies for private forest development to allow them to administer the program.

1.2 Amendments to the NPSI agreement

In 1999-2000, under the NPSI agreement, advisory services were provided to over 3 000 woodlot owners, and work was undertaken to restore approximately 640 ha of private woodlots. Only \$2.81 million, or 54% of the budgeted amount, was spent, partly because the work covered by the program did not allow full restoration of the damaged woodlots. Following consultation with the agencies and forestry advisors, the governments of Canada and Québec agreed to amend some of the program parameters to better meet the needs expressed by the woodlot owners and their

representatives. On April 12, 2001, NRCan and the MRN signed an amended administrative agreement to allow a wider range of work to be completed, including the restoration of young ice damaged stands, ground preparation, reforestation, forest road work and the cutting back of debris along road corridors to help return heavily damaged woodlots to a productive state. Since 2001, financial assistance has also been granted to allow woodlot owners to apply specific attenuation measures to help preserve elements of biodiversity.

In addition, the new agreement provided for an increase in the amount granted for partial salvage cutting from \$275/ha to \$485/ha. The new amount is closer to the actual cost of carrying out the silvicultural work required in stands damaged by the ice storm, and therefore acts as an incentive for woodlot owners to carry out the work. To ensure fairness, the new rates were applied to all work carried out since the coming into force of the initial agreement, and the deadline for submitting an application for eligibility under the program was set at November 3, 2000.

2. Work completed, 2000-2001

The statements for the *Financial assistance program for owners of woodlots who were affected by the January 1998 ice storm and whose primary source of income is not derived from forestry* for the fiscal year 2000-2001 show the expenditure incurred for each activity, along with the additional amounts paid to woodlot owners and forestry advisors following the changes made to the administrative agreement.

When the annual program was signed, budgeted expenditure for 2000-2001 amounted to \$7.71 million. Actual expenditure amounted to \$4.48 million, or \$2.24 million for each level of government (Table 2), which represents 58% of the budgeted amount (Table 3).

As during the 1999-2000 fiscal year, the most active agencies were the Estrie and Montérégie ones (Table 4), whose territories were severely affected by the 1998 ice storm.

Table 2: Expenditure incurred under the NPSI program in 2000-2001

Total expenditure	
\$4 480 941.75	
Apportionment of expenditure between levels of government	
Federal	Provincial
\$2 240 470.88	\$2 240 470.88

2.1 Program Element # 1

The first part of the program covers activities linked to the development and transfer of knowledge, advisory services for woodlot owners, support for restoration activities, and activities connected with program monitoring and assessment.

2.1.1 Advisory services, information and training

During the 2000-2001 fiscal year, training sessions were provided for forestry advisors and woodlot owners.

Training sessions for forestry advisors

- * In collaboration with the regional agencies for private forest development, the MRN organized training sessions in which all the accredited forestry advisors took part. The sessions focused on assessing damage and carrying out the work needed to restore young ice damaged stands, which requires specific knowledge. The objective of the MRN and the regional agencies was to ensure that the forestry advisors were in a position to offer woodlot owners all the required technical support.
- * In addition, resource staff from the MRN, the ministère de l'Environnement (MENV) and the Société de la faune et des parcs du Québec (FAPAQ) travelled to each of the six agencies to offer forestry advisors specific training on how to maintain biodiversity, one of the key objectives of the ice storm programs. During these meetings, the specialists gave forestry advisors access to the information needed to draw up plans to salvage damaged trees and to restore young stands in a manner consistent with the principle of biodiversity.
- * Finally, forestry advisors were offered a training session on the biodegradation of timber caused by fungal discoloration or decay to allow them to give appropriate advice to woodlot owners. It is well known that trees damaged during an

ice storm are more susceptible to attack by pathogens, and it is important for forestry advisors to properly understand the biodegradation process in timber in order to establish harvesting priorities for damaged trees.

Training sessions for woodlot owners

During the first year of application of the ice storm programs, woodlot owners were offered a range of training sessions designed to help them deal with the effects of a natural disaster. The following year, several of the training sessions were repeated at the request of woodlot owners who wished to receive more information on topics such as:

- * the sharpening and maintenance of chain saws;
- * safe approaches to directional felling;
- * timber scaling, trimming and classification;
- * the marketing of timber salvaged after the 1998 ice storm;
- * fiscal and financial accounting following forestry losses caused by a natural disaster.

Expenditure on training activities greatly exceeded the amount forecast (206%) (Table 3). This discrepancy was mainly caused by the addition of extra training activities for forestry advisors.

As for the development of technical expertise, most of the expenditure was incurred by the MRN, especially in connection with research work. More specifically, the MRN installed apparatus to monitor damaged stands and collect data to improve the understanding of, first, the ability of stands to recover from a natural disaster and, second, the consequences of natural disasters over the long term.

2.1.2 Support for the implementation of restoration activities

This part of the program covers the advisory services and technical assistance provided to woodlot owners by forestry advisors, as well as forest management work carried out to restore woodlots. Following the changes made to the agreement, the amounts granted to open a file, draw up a recovery plan, mark the trees to be salvaged and carry out salvage cutting were all increased. In 2000-2001, as in 1999-2000, there was often a

major discrepancy between the budgeted and actual expenditure for this category of activities.

During the 2000-2001 fiscal year, 2 476 files were processed (Table 5). The opening of files resulted in an expenditure of \$169 477.84, or 150% of the budgeted amount. This difference must be attributed to the opening of a greater number of new files than planned. Roughly 35% of this expenditure resulted from the extra amounts paid out following the amendments made to the agreement (which raised the rate from \$25 to \$40) (Table 6), and the remainder resulted from the opening of files following the adoption of the new agreement at the new rate of \$40.

The advisory services offered to preserve biodiversity resulted in an increase in expenditure compared to the budgeted amount, but the amount involved was relatively low (\$13 245). It is extremely difficult to forecast the number of cases in which these advisory services will be required and, therefore, to accurately forecast the related expenditure.

Since the 1998 ice storm brought about major changes in many woodlots, the program provides financial assistance to woodlot owners who wish to update their forest management plans (FMP) and plan their forest management work in the best possible way. Up to now, few woodlot owners have taken advantage of this program element and, as a result, less than \$5 500, or 24% of the budgeted amount, was spent in this area (Tables 3 and 4).

The owners of damaged woodlots could also apply for a follow-up visit; in other words, a second visit by a forestry advisor that would allow them to make more enlightened decisions concerning the management of their forest property. This type of follow-up was made even more important by the fact that several woodlot owners initially carried out extremely limited management work, meaning that several trees originally left standing began to decay in the years following the ice storm. Yet, there was little demand for follow-up services in 2000-2001 and expenditure amounted to \$4 200 in this area, well below the budgeted amount (Table 3).

However, the biggest discrepancies between budgeted and actual expenditure occurred for activities connected with the restoration of young

Table 3: Budgeted and actual expenditure for the 2000-2001 fiscal year

	Budgeted	Actual	Percentage completed
PROGRAM ELEMENT # 1			
1.1 Advisory services, information and training			
<i>Training</i>	\$69 860.00	\$143 717.65	206%
<i>Development</i>	\$69 388.00	\$74 912.45	108%
1.2 Support for the implementation of restauration activities			
<i>Advisory services</i>			
File openings	\$112 886.00	\$169 477.84	150%
Damage assessments	\$614 000.00	\$643 541.88	105%
Damage assessments for young stands		\$35 910.81	
Recovery plans	\$491 171.00	\$651 748.91	133%
Restoration plans	\$239 800.00	\$56 201.21	23%
Advisory services for biodiversity	\$2 700.00	\$13 244.57	491%
Updating of forest management plans (FMP)	\$22 755.00	\$5 475.19	24%
Operation reports	\$408 500.00	\$138 315.84	34%
Follow-up visits	\$19 200.00	\$4 221.42	22%
<i>Technical assistance</i>			
Tree marking for salvage	\$668 975.00	\$645 809.02	97%
Marking of contours	\$3 700.00	\$6 988.35	189%
Marking of young trees	\$331 500.00	\$125 745.34	38%
<i>Forest management work</i>			
Partial salvage cuts	\$1 853 507.00	\$777 851.50	42%
Total salvage cuts	\$116 250.00	\$50 274.00	43%
Cutting back of debris along road corridors	\$3 575.00	\$0.00	0%
Site preparation	\$198 000.00	\$15 428.00	8%
Tree planting	\$47 450.00	\$1 913.38	4%
Restoration of young ice damaged stands	\$665 000.00	\$202 692.00	30%
Road planing	\$82 575.00	\$20 034.30	24%
Mitigation measures to improve biodiversity	\$6 000.00	\$0.00	0%
GST refunds to owners	\$0.00	\$1 931.79	
QST refunds to owners	\$0.00	\$3 127.92	
1.3 Studies and knowledge development			
<i>Biodiversity</i>	\$146 960.00	\$157 611.00	107%
1.4 Miscellaneous			
<i>Monitoring and evaluation</i>	\$683 516.00	\$191 126.32	28%
<i>Operational auditing</i>	\$237 845.00	\$86 169.18	36%
<i>Other activities</i>	\$0.00	\$17 507.09	
PROGRAM ELEMENT # 2			
<i>Administration costs</i>	\$615 415.00	\$262 265.76	43%
TOTAL	\$7 710 528.00	\$4 503 242.72	58%
<i>Interest on investments¹</i>	\$0.00	-\$22 300.97	
GRAND TOTAL	\$7 710 528.00	\$4 480 941.75	58%

1. Interest earned on investments is deducted from the administration costs reimbursed to agencies.

**Table 4: Expenditure incurred during the 2000-2001 fiscal year,
by agency and by program element**

	Bois-Francs	Chaudière	Estrie	Laurentides	Montréal	Outaouais	MRN	TOTAL
PROGRAM ELEMENT # 1								
1.1 Advisory services, information and training								
<i>Training</i>	\$9 690.92	\$10 541.58	\$61 271.05	\$8 957.74	\$48 535.35	\$4 721.01	\$0.00	\$143 717.65
<i>Development</i>	n/a. ¹	n/a.	n/a.	n/a.	n/a.	n/a.	\$74 912.45	\$74 912.45
1.2 Support for the implementation of restoration activities								
<i>Advisory services</i>								
File openings	\$17 708.10	\$19 945.34	\$50 064.63	\$19 721.04	\$45 779.95	\$16 258.78	n/a.	\$169 477.84
Damage assessments	\$55 752.62	\$74 961.79	\$198 797.71	\$95 010.65	\$128 448.42	\$90 570.69	n/a.	\$643 541.88
Damage assessments for young stands	\$805.18	\$1 552.84	\$17 265.25	\$8 316.31	\$6 763.47	\$1 207.76	n/a.	\$35 910.81
Recovery plans	\$80 143.67	\$48 178.22	\$263 027.67	\$18 904.36	\$213 727.95	\$27 767.04	n/a.	\$651 748.91
Restoration plans	\$5 946.79	\$3 220.70	\$19 335.70	\$13 377.41	\$10 317.74	\$4 002.87	n/a.	\$56 201.21
Advisory services for biodiversity	\$143.78	\$0.00	\$375.00	\$0.00	\$12 582.01	\$143.78	n/a.	\$13 244.57
Updating of forest management plans (FMP)	-\$40.26	\$0.00	\$1 564.34	\$0.00	\$2 645.58	\$1 305.53	n/a.	\$5 475.19
Operation reports	\$15 585.89	\$12 969.07	\$68 014.28	\$11 239.67	\$26 558.12	\$3 948.81	n/a.	\$138 315.84
Follow-up visits	\$0.00	\$644.14	\$2 542.05	\$0.00	\$1 035.23	\$0.00	n/a.	\$4 221.42
<i>Technical assistance</i>								
Tree marking for salvage	\$62 463.18	\$39 489.23	\$205 784.33	\$25 943.89	\$272 286.03	\$39 842.36	n/a.	\$645 809.02
Marking of contours	\$612.51	\$817.83	\$2 613.37	\$0.00	\$2 944.64	\$0.00	n/a.	\$6 988.35
Marking of young trees	\$6 694.46	\$517.61	\$21 912.26	\$79 539.79	\$11 387.48	\$5 693.74	n/a.	\$125 745.34
<i>Forest management work</i>								
Partial salvage cuts	\$94 374.00	\$88 435.50	\$430 064.00	\$0.00	\$143 541.00	\$21 437.00	n/a.	\$777 851.50
Total salvage cuts	\$6 510.00	\$8 229.00	\$28 845.00	\$0.00	\$6 690.00	\$0.00	n/a.	\$50 274.00
Cutting back of debris along road corridors	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	n/a.	\$0.00
Site preparation	\$7 260.00	\$4 818.00	\$206.50	\$0.00	\$3 143.50	\$0.00	n/a.	\$15 428.00
Tree planting	\$0.00	\$1 800.63	\$112.75	\$0.00	\$0.00	\$0.00	n/a.	\$1 913.38
Restoration of young ice damaged stands	\$14 031.50	\$12 103.00	\$33 715.50	\$133 133.00	\$2 394.00	\$7 315.00	n/a.	\$202 692.00
Road planing	\$1 150.55	\$4 499.07	\$10 928.58	\$0.00	\$1 016.50	\$2 439.60	n/a.	\$20 034.30
Mitigation measures to improve biodiversity	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	n/a.	\$0.00
GST refunds to owners	\$610.98	\$0.00	\$136.20	\$1 184.61	\$0.00	\$0.00	n/a.	\$1 931.79
QST refunds to owners	\$700.44	\$0.00	\$156.21	\$2 271.27	\$0.00	\$0.00	n/a.	\$3 127.92
1.3 Studies and knowledge development								
<i>Biodiversity</i>	n/a.	n/a.	n/a.	n/a.	n/a.	n/a.	\$157 611.00	\$157 611.00
1.4 Miscellaneous								
<i>Monitoring and evaluation</i>	n/a.	n/a.	n/a.	n/a.	n/a.	n/a.	\$191 126.32	\$191 126.32
<i>Operational auditing</i>	\$20 306.84	\$8 057.06	\$25 819.91	\$2 027.50	\$27 414.65	\$2 543.22	n/a.	\$86 169.18
<i>Other activities</i>	\$1 002.29	\$1 337.97	\$4 285.36	\$7 933.77	\$0.00	\$2 947.70	n/a.	\$17 507.09
PROGRAM ELEMENT # 2								
<i>Administration costs</i>	\$35 686.78	\$18 884.62	\$69 728.97	\$33 541.99	\$63 026.30	\$41 397.10	n/a.	\$262 265.76
TOTAL	\$437 140.22	\$361 003.20	\$1 516 566.62	\$461 103.00	\$1 030 237.92	\$273 541.99	\$423 649.77	\$4 503 242.72
<i>Interest on investments²</i>	-\$11 840.73	-\$3 057.91	-\$831.99	\$0.00	-\$6 570.34	\$0.00	\$0.00	-\$22 300.97
GRAND TOTAL	\$425 299.49	\$357 945.29	\$1 515 734.63	\$461 103.00	\$1 023 667.58	\$273 541.99	\$423 649.77	\$4 480 941.75

1. n/a.: not applicable.

2. Interest earned on investments is deducted from the administration costs reimbursed to agencies.

Table 5: Number of files opened and areas processed, by agency and by activity

	Bois-Francis	Chaudière	Estrie	Laurentides	Montréal	Outaouais	TOTAL
Files opened (number)	257	279	703	357	584	296	2 476
Tree marking for salvage (ha)	431.8	234.4	1 249.2	173.5	1 684.0	263.1	4 036.0
Partial salvage cuts (ha)	158.0	136.1	781.4	0	293.1	44.2	1 412.8
Total salvage cuts (ha)	43.4	54.9	192.3	0	44.6	0	335.2

Table 6: Expenditure incurred to open files, prepare recovery plans, mark trees for salvage and carry out partial salvage cuts

Activity	Total expenditure for activity	Expenditure caused by rate increase ¹	Percentage of expenditure attributable to rate increase	Amount budgeted for rate increase in 2000-2001 program
File openings	\$169 477.84	\$59 759.31	35%	\$68 431.00
Recovery plans	\$651 748.91	\$83 546.24	13%	\$99 026.00
Tree marking for salvage	\$645 809.02	\$51 595.32	8%	\$63 980.00
Partial salvage cuts	\$777 851.50	\$92 593.00	12%	\$148 197.00

1. These amounts are included in the total expenditure for the activity.

2. These amounts are the estimates shown in the appendix to the forecast for the 2000-2001 fiscal year.

stands (restoration plan, marking of young trees and restoration of young stands). Whatever the developmental stage of a given stand, the decision as to whether the owner should receive assistance to restore the stand depends on the evaluation of the damage. That is why it was considered important to offer forestry advisors all the required technical support to carry out their evaluations. In 2000-2001, most of the work carried out to restore young stands took place on the territory of the Laurentides agency (almost 66% of the expenditure incurred by all the agencies for this activity) (Table 4).

In 2000-2001, the agencies and the forestry advisors aimed at completing the damage assessment and planning woodlot restoration activities. In contrast to the situation in 1999-2000, expenditure incurred for the preparation of recovery plans exceeded the forecast (133%), amounting to \$652 000. However, 13% of this amount was paid out following the increase in the amount granted (Table 6).

During the 2000-2001 fiscal year, expenditure incurred to carry out restoration work in damaged woodlots amounted to almost \$1 075 000, 91% of which was spent on partial salvage cuts and the restoration of young stands. Marking was an important activity since it was carried out before all harvesting activities. This activity led to a total

expenditure of almost \$646 000, 8% of which was caused by the increase in the amount granted, which was raised to \$130/ha (Table 6). During the 2000-2001 fiscal year, almost \$778 000 was granted to woodlot owners who carried out partial salvage cuts. The assistance provided was increased from \$275/ha to \$485/ha, and 12% of the amount spent on partial salvage cuts thus went to cover the increase (Table 6).

Much less was spent on other types of management work. For example, \$50 275 was paid out for total salvage cuts, which represents 43% of the budgeted amount (Table 3). A total salvage cut is carried out only as a last resort, since woodlot owners and forestry advisors prefer to preserve a residual stand whenever possible. This explains why less than 5% of the amounts paid out to woodlot owners were related to total salvage cuts.

With regard to site preparation and tree planting activities, actual expenditure was well below the budgeted amount. It is important to remember that the amendments made to the agreement were only finalized in May 2000, which made it impossible to plant seedlings during the 2000 planting season. In addition, it was not possible to have seedlings prepared for the 2000 and 2001 planting seasons because of the time involved in collecting and classifying seeds and planting seedlings. Hardwood seedlings will be produced for the 2002 planting

season. However, the regional offices of Forêt Québec allocated a number of conifer seedlings for the 2001 planting season, and the number of conifer seedlings that can be allocated for 2002 is currently being evaluated. Since site preparation activities are generally carried out during the fall season preceding the planting, part of the work was completed in the fall of 2000 and was thus billed in 2000-2001. However, since the seedlings will be planted in May, we expect that the majority of expenditure for planting activities will be incurred during the 2001-2002 fiscal year.

When the federal-provincial agreement was amended, road planning was added to the list of eligible work to allow woodlot owners to gain access to damaged stands and salvage damaged trees. Only work carried out after the amendment was finalized is eligible for financial assistance. In 2000-2001, only 24% of the budgeted amount for this activity was actually spent (Table 3).

The changes made to the agreement also provided for the inclusion of the following activities: cutting back of debris along road corridors, mitigation measures to improve biodiversity, and refunding of GST and QST to owners. No expenditure was incurred for the first two activities, but a few owners took advantage of the sales tax refund (Tables 3 and 4).

Finally, the operation report allows forestry advisors to assess the quality of the work carried out on a woodlot. The forestry advisor must ensure that the work is in compliance with the standards established under the program. The operation report describes the quality of the work carried out and thus constitutes the document used to support the application for payment to the owner. During the 2000-2001 fiscal year, \$138 315 was paid to forestry advisors who verified the quality of the work carried out on approximately 1 450 ha of forest land. This represents only 34% of the budgeted amount (Table 3).

2.1.3 Studies and knowledge development

This heading covers various actions taken to maintain biodiversity under the ice storm programs, and more specifically the actions taken to prepare notices specifying mitigation measures.

The restoration of woodlots that are among the richest in Québec in terms of biodiversity offers

many interesting challenges. These forest lands are home to most of Québec's threatened or vulnerable animal and plant species, and contain several exceptional forest ecosystems and many different wildlife habitats. During the last fiscal year, over 400 notices were sent out by the MENV, the FAPAQ and the MRN. The mitigation measures mentioned in these notices were designed to help preserve particular elements of biodiversity. The measures must be integrated with the plans to salvage damaged trees or to restore young stands, and must be followed during marking and other forest management work. During the 2000-2001 fiscal year, expenditure of almost \$158 000 was incurred for the preparation of notices, which is close to the budgeted amount (Table 3).

2.1.4 Miscellaneous

This heading covers the monitoring and evaluation of the program, operational auditing, and all the other activities agreed on by the Administration Committee. During the 2000-2001 fiscal year, over \$191 000 was allocated to administrative monitoring and to the development and improvement of the computerized program management system, which is less than the budgeted amount (28%) (Table 3). The heading also covers expenditure relating to the research budget for the project *Ice storm damage and maple tapping: development of an ecophysiological vitality scale*. The results of the project, combined with the results from other monitoring projects carried out by the MRN, are expected to provide a more accurate statement of the health of the forest affected by the ice storm.

The cost of the operational audits completed by the agencies amounted to 36% of the budgeted amount. These costs relate to the verification of the activities carried out by the forestry advisors as well as the work carried out in the field. It represents 2.42% of the amounts paid out to forestry advisors and woodlot owners, which is well below the planned 5% threshold (Table 7). The reports on the operational audits completed by the agencies state whether the activities carried out were consistent with the standards set for the NPSI program. In the few cases where the work was considered below standard, a report was sent to the forestry advisors concerned and actions had to be taken to correct the situation. Because of

the changes made to the program to match the amendments to the agreement and the resulting changes in standards, the agencies and the MRN provided additional technical support for forestry advisors.

The item Other activities covers mainly the expenditure incurred by the agencies to publicize the changes made to the program. When the activities for 2000-2001 were established, no amount was set aside for publicity. However, approximately \$17 500 was spent to inform woodlot owners of the amendments made to the agreement.

2.2 Program Element # 2

This part of the program covers the financial assistance paid to the agencies to administer the program, as well as the interest received from investments.

2.2.1 Administration costs

During the 2000-2001 fiscal year, unadjusted administration costs amounted to 43% of the bud-

geted amount, which represents 5.91% of the overall spending by the agencies (Tables 3 and 7). When establishing their annual forecasts, the agencies generally reserve an amount equal to 15% of their budgeted expenditure. However, during the last fiscal year, the actual level of expenditure generally was below the budgeted amount and, consequently, administration costs also were lower.

2.2.2 Interest on investments

The interest received by the agencies is generated by the deposit of cash advances with financial institutions. On the basis of the agreements entered into by the agencies and the MRN, the interest is deducted from the administration costs reimbursed to the agencies (Tables 4 and 7).

Table 7: Administration and operational auditing costs for the 2000-2001 fiscal year

	Amount	Percentage
Total expenditure by agencies	\$4 057 291.98	
Amount paid to forestry advisors and woodlot owners	\$3 559 708.08	
Administration costs	\$262 265.76	
Interest on investments	-\$22 300.97	
Adjusted administrative costs ¹	\$239 964.79	5.91%
Operational auditing ²	\$86 169.18	2.42%

1. The percentage of administrative costs is calculated on the basis of total agency expenditure.

2. The percentage of operational auditing costs is calculated on the basis of the amounts paid to forestry advisors and woodlot owners.

3. Statements for the 1999-2000 and 2000-2001 fiscal years

The tables in this section summarize the activities that were conducted as well as the total expenditure for the 1999-2000 and 2000-2001 fiscal years.

Table 8: Total expenditure in 1999-2000 and 2000-2001 under the NPSI program

Total expenditure	
\$7 287 746.78	
Apportionment of expenditure between levels of government	
Federal	Provincial
\$3 643 873.39	\$3 643 873.39

**Table 9: Number of files opened and areas processed, by agency and by type of management work
Statements for the 1999-2000 and 2000-2001 fiscal years**

	Bois-Francis	Chaudière	Estrie	Laurentides	Montréal	Outaouais	TOTAL
Files opened (number)	598	691	1 730	548	1 680	449	5 696
Tree marking for salvage (ha)	575.0	367.8	1 716.7	173.5	2 212.9	268.5	5 314.4
Partial salvage cuts (ha)	280.3	248.9	1 016.7	0	301.0	44.2	1 891.1
Total salvage cuts (ha)	134.1	80.2	340.5	0	44.6	0	599.4

**Table 10: Administration and operational auditing costs
Statements for the 1999-2000 and 2000-2001 fiscal years**

	Amount	Percentage
Total expenditure by agencies	\$5 966 407.59	
Amount paid to forestry advisors and woodlot owners	\$5 063 425.17	
Administration costs	\$561 499.60	
Interest on investments	-\$56 734.63	
Adjusted administrative costs ¹	\$504 764.97	8.46%
Operational auditing ²	\$131 069.24	2.59%

1. The percentage of administrative costs is calculated on the basis of total agency expenditure.

2. The percentage of operational auditing costs is calculated on the basis of the amounts paid to forestry advisors and woodlot owners.

Table 11: Statements for the 1999-2000 and 2000-2001 fiscal years

	Budgeted	Actual	Percentage completed
PROGRAM ELEMENT # 1			
1.1 Advisory services, information and training			
<i>Training</i>	\$106 945.00	\$173 388.28	162%
<i>Development</i>	\$400 882.00	\$388 161.94	97%
1.2 Support for the implementation of restauration activities			
<i>Advisory services</i>			
File openings	\$312 886.00	\$262 072.97	84%
Damage assessments	\$1 414 000.00	\$1 468 740.91	104%
Damage assessments for young stands	\$0.00	\$35 910.81	
Recovery plans	\$1 016 171.00	\$866 504.45	85%
Restoration plans	\$239 800.00	\$56 201.21	23%
Advisory services for biodiversity	\$2 700.00	\$13 244.57	491%
Updating of forest management plans (FMP)	\$22 755.00	\$13 624.71	60%
Operation reports	\$733 875.00	\$174 537.78	24%
Follow-up visits	\$19 200.00	\$4 221.42	22%
<i>Technical assistance</i>			
Tree marking for salvage	\$1 110 446.00	\$792 479.54	71%
Marking of contours	\$3 700.00	\$6 988.35	189%
Marking of young trees	\$331 500.00	\$125 745.34	38%
<i>Forest management work</i>			
Partial salvage cuts	\$2 590 286.00	\$916 282.69	35%
Total salvage cuts	\$361 843.00	\$91 968.22	25%
Cutting back of debris along road corridors	\$3 575.00	\$0.00	0%
Site preparation	\$198 000.00	\$15 428.00	8%
Tree planting	\$47 450.00	\$1 913.38	4%
Restoration of young ice damaged stands	\$665 000.00	\$202 692.00	30%
Road planing	\$82 575.00	\$20 034.30	24%
Mitigation measures to improve biodiversity	\$6 000.00	\$0.00	0%
GST refunds to owners	\$0.00	\$1 931.79	
QST refunds to owners	\$0.00	\$3 127.92	
1.3 Studies and knowledge development			
<i>Biodiversity</i>	\$455 670.00	\$433 483.04	95%
1.4 Miscellaneous			
<i>Monitoring and evaluation</i>	\$1 119 447.00	\$499 694.21	45%
<i>Operational auditing</i>	\$401 358.00	\$130 244.90	32%
<i>Other activities</i>	\$68 556.00	\$84 359.08	
PROGRAM ELEMENT # 2			
<i>Administration costs</i>	\$1 184 879.00	\$561 499.60	47%
TOTAL	\$12 899 499.00	\$7 344 481.41	57%
<i>Interest on investments ¹</i>	\$0.00	-\$56 734.63	
GRAND TOTAL	\$12 899 499.00	\$7 287 746.78	56%

1. Interest earned on investments is deducted from the administration costs reimbursed to agencies.

Table 12: Statement of expenditure for the 1999-2000 and 2000-2001 fiscal years, by agency and by activity

	Bois-Francs	Chaudière	Estrie	Laurentides	Montréal	Outaouais	MRN	TOTAL
PROGRAM ELEMENT # 1								
1.1 Advisory services, information and training								
<i>Training</i>	\$12 399.76	\$10 541.58	\$79 139.51	\$8 957.74	\$57 628.68	\$4 721.01	\$0.00	\$173 388.28
<i>Development</i>	n/a. ¹	n/a.	n/a.	n/a.	n/a.	n/a.	\$388 161.94	\$388 161.94
1.2 Support for the implementation of restauration activities								
<i>Advisory services</i>								
File openings	\$27 513.98	\$31 792.92	\$79 597.30	\$25 213.48	\$77 296.80	\$20 658.49	n/a.	\$262 072.97
Damage assessments	\$146 047.25	\$181 118.36	\$478 665.04	\$152 856.55	\$378 775.67	\$131 278.04	n/a.	\$1 468 740.91
Damage assessments for young stands	\$805.18	\$1 552.84	\$17 265.25	\$8 316.31	\$6 763.47	\$1 207.76	n/a.	\$35 910.81
Recovery plans	\$108 324.80	\$61 745.42	\$366 251.11	\$20 035.80	\$280 850.45	\$29 296.87	n/a.	\$866 504.45
Restoration plans	\$5 946.79	\$3 220.70	\$19 335.70	\$13 377.41	\$10 317.74	\$4 002.87	n/a.	\$56 201.21
Advisory services for biodiversity	\$143.78	\$0.00	\$375.00	\$0.00	\$12 582.01	\$143.78	n/a.	\$13 244.57
Updating of forest management plans (FMP)	\$1 052.48	\$425.59	\$1 805.89	\$0.00	\$9 035.22	\$1 305.53	n/a.	\$13 624.71
Operation reports	\$20 443.97	\$19 648.57	\$90 897.35	\$11 239.67	\$28 359.41	\$3 948.81	n/a.	\$174 537.78
Follow-up visits	\$0.00	\$644.14	\$2 542.05	\$0.00	\$1 035.23	\$0.00	n/a.	\$4 221.42
<i>Technical assistance</i>								
Tree marking for salvage	\$78 934.76	\$54 833.57	\$259 558.52	\$25 943.89	\$332 745.30	\$40 463.50	n/a.	\$792 479.54
Marking of contours	\$612.51	\$817.83	\$2 613.37	\$0.00	\$2 944.64	\$0.00	n/a.	\$6 988.35
Marking of young trees	\$6 694.46	\$517.61	\$21 912.26	\$79 539.79	\$11 387.48	\$5 693.74	n/a.	\$125 745.34
<i>Forest management work</i>								
Partial salvage cuts	\$135 055.93	\$119 455.50	\$494 771.50	\$0.00	\$145 562.76	\$21 437.00	n/a.	\$916 282.69
Total salvage cuts	\$22 179.22	\$12 024.00	\$51 075.00	\$0.00	\$6 690.00	\$0.00	n/a.	\$91 968.22
Cutting back of debris along road corridors	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	n/a.	\$0.00
Site preparation	\$7 260.00	\$4 818.00	\$206.50	\$0.00	\$3 143.50	\$0.00	n/a.	\$15 428.00
Tree planting	\$0.00	\$1 800.63	\$112.75	\$0.00	\$0.00	\$0.00	n/a.	\$1 913.38
Restoration of young ice damaged stands	\$14 031.50	\$12 103.00	\$33 715.50	\$133 133.00	\$2 394.00	\$7 315.00	n/a.	\$202 692.00
Road planing	\$1 150.55	\$4 499.07	\$10 928.58	\$0.00	\$1 016.50	\$2 439.60	n/a.	\$20 034.30
Mitigation measures to improve biodiversity	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	n/a.	\$0.00
GST refunds to owners	\$610.98	\$0.00	\$136.20	\$1 184.61	\$0.00	\$0.00	n/a.	\$1 931.79
GST refunds to owners	\$700.44	\$0.00	\$156.21	\$2 271.27	\$0.00	\$0.00	n/a.	\$3 127.92
1.3 Studies and knowledge development								
<i>Biodiversity</i>	n/a.	n/a.	n/a.	n/a.	n/a.	n/a.	\$433 483.04	\$433 483.04
1.4 Miscellaneous								
<i>Monitoring and evaluation</i>	n/a.	n/a.	n/a.	n/a.	n/a.	n/a.	\$499 694.21	\$499 694.21
<i>Operational auditing</i>	\$26 073.20	\$10 591.37	\$43 365.83	\$2 249.94	\$43 516.32	\$4 448.24	n/a.	\$130 244.90
<i>Other activities</i>	\$6 634.64	\$12 164.81	\$20 041.38	\$19 498.95	\$6 819.61	\$19 199.69	n/a.	\$84 359.08
PROGRAM ELEMENT # 2								
<i>Administration costs</i>	\$72 882.77	\$53 456.05	\$147 117.88	\$81 345.30	\$122 439.43	\$84 258.17	n/a.	\$561 499.60
TOTAL	\$695 498.95	\$597 771.56	\$2 221 585.68	\$585 163.71	\$1 541 304.22	\$381 818.10	\$1 321 339.19	\$7 344 481.41
<i>Interest on investments</i> ²	-\$20 631.40	-\$3 057.91	-\$10 673.88	-\$1 492.82	-\$20 878.62	\$0.00	\$0.00	-\$56 734.63
GRAND TOTAL	\$674 867.55	\$594 713.65	\$2 210 911.80	\$583 670.89	\$1 520 425.60	\$381 818.10	\$1 321 339.19	\$7 287 746.78

1. n/a.: not applicable.

2. Interest earned on investments is deducted from the administration costs reimbursed to agencies.



4. Conclusion

The *Financial assistance program for owners of woodlots who were affected by the January 1998 ice storm and whose primary source of income is not derived from forestry* was designed to help woodlot owners deal with the consequences of a natural disaster and help them restore their woodlots.

Because of the time taken to implement the program, the first year of operation (1999-2000) was mainly devoted to damage assessment and the planning of activities to restore damaged stands. At the end of the first year, one important observation was made: the range of work eligible under the program did not make it possible to completely restore the affected woodlots.

On May 3, 2000, the gouvernement du Québec adopted Order in Council 543-2000, which extended the range of eligible work and increased some of the rates for financial assistance. The Order was prepared following consultations with representatives of the owners and agencies concerned, and with the federal authorities. The agreement was amended on April 12, 2001, and it is clear that the addition of the new activities listed in Order in Council 543-2000 provides a better response to the needs of woodlot owners.

Total expenditure incurred under the program amounted to \$4.48 million in 2000-2001, compared to \$2.81 million in 1999-2000. As mentioned previously, total expenditure is borne in equal shares by the Government of Canada and the gouvernement du Québec.

During its second year of operation, the program has allowed 2 476 new NPSI woodlot owners to receive advisory services, and has allowed restoration work to continue on a total area of 1 750 ha of mature stands and 300 ha of young ice damaged stands.



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